

CDM

environmental engineers, scientists,
planners, & management consultants

CAMP DRESSER & McKEE INC.

18881 Von Karman, Suite 650
Irvine, California 92715
714 752-5452

March 28, 1991

Mr. Merle Pautsch
MCDONNELL DOUGLAS REALTY COMPANY
18881 Von Karman, Suite 1200
Irvine, CA 92715

Dear Mr. Pautsch:

As requested, we are providing this letter proposal for performance of a Phase I environmental assessment and preparation of a Phase II Work Plan for an industrial property in Torrance, California, owned by McDonnell Douglas Realty Company. We understand the property consists of two parcels: one consisting of approximately 30 acres, used for storage of aircraft tooling and equipment; and the other consisting of 16 acres, which is presently a parking lot for Douglas Aircraft Company.

The purpose of the Phase I environmental audit is to identify, from on-site observations and review of available documents, any environmental problems that may have occurred at the property due to the use, generation, handling, treatment, storage or disposal of hazardous substances.

Specifically, we will perform the following tasks, based on the availability of pertinent documents:

1. Conduct an on-site visit for visible evidence of hazardous substances/waste/materials and noncompliance of their environmentally regulated areas.
2. Evaluate adjacent property bordering the audited property for potential contamination problems. This evaluation is limited to CDM observing the adjacent property without accessing the property. The area has been industrialized for the past 50 or more years. As documented in the Sverdrup Report for the Torrance Facility Redevelopment, the ground water in the area is probably contaminated. Therefore, the off-site sources of ground water contamination will not be addressed in detail in this study. This assessment will focus primarily on on-site conditions; however, a list of properties within a one-mile radius with known violations or contamination will be provided.
3. Determine regulatory compliance of environmentally regulated areas, including any underground tanks that may (have) exist(ed).

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4. Review historical records and operations of previous owners/occupants for potential environmental problems, based on available data. Aerial photography and Sanborn maps, if available, will also be reviewed for the purpose of documenting historical land use.
5. Check with federal, state and local agencies to determine if there are noncompliance notices or permit violations.
6. CDM will review the existing reports for the area for ground water conditions, as provided by Douglas Aircraft.
7. Prepare a report to McDonnell Douglas Realty Company (MDRC) presenting the environmental compliance status of the property. This report will address audit findings (as set forth above) including a description of any hazardous material stored on the property, possible burial or dumping of controlled material on the property, present and past environmental problems observed through site observations, and historical information reviews. A draft report will be submitted to both MDRC and Douglas Aircraft Company.
8. Prepare a work plan for a Phase II field investigation which includes rationale for soil boring locations, soil boring locations and depths, and recommended laboratory soil analyses. CDM will then meet with MDRC and Douglas Aircraft Company, as appropriate, to present our recommendations for the Phase II field investigation.

Our investigations of the land will include any regulated areas involving management of hazardous waste, solid waste, wastewater and air quality as applicable to the property. No environmental samples will be collected and analyzed, nor will inspections of building materials (e.g., insulation) be performed. Based on review of available information, if a problem is suspected to exist, MDRC will immediately be contacted for approval of analytical testing or further in-depth evaluation of the situation. Total study time should be approximately three to four weeks from receipt of notice to proceed from MDRC. Study duration will depend on the size and age of the property and availability of information.

In order to conduct the data search/review efficiently, CDM will also need all documents that MDRC and Douglas Aircraft Co. has that may be pertinent to the property including titles/deeds, existing audit questionnaires, recent and historical aerial photography, soils reports and any other environmentally-related reports.

Attachment A to this letter presents our cost estimate, with Attachment B providing our contract terms. As proposed, the work will require approximately 117 hours of effort at a not to exceed cost of \$9,139.

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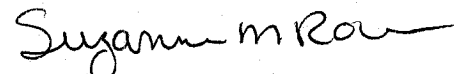
If you find this proposal acceptable per the scope of work described above, and budgetary/contractual terms provided in Attachments A and B, please sign in the designated space below and return one copy of the original.

CDM sincerely appreciates the opportunity to prepare this proposal, and we look forward to working further with you. Please do not hesitate to contact us if you have any questions.

Sincerely,

CAMP DRESSER & MCKEE INC.


David C. Chamberlin
Associate


Suzanne M. Rowe
Project Manager


Authorizing Signature
MCDONNELL DOUGLAS REALTY COMPANY

4-5-91
Date

cc: Mr. Gary Powley
McDonnell Douglas Realty Company

Attachments

ATTACHMENT A

The cost estimate provided herein is based on our professional judgment of the level of effort required to complete the work, and our customary charge rates described below. Cost includes overhead, fringe benefits, and fee.

LABOR

<u>Personnel</u>	<u>Hours</u>	<u>Cost</u>
Associate	2	\$ 280
Project Manager	15	1,296
Senior Hydrogeologist	12	1,200
Auditor	86	4,783
Word Processing/Administrative	10	480
Total Labor	117	\$8,039

OTHER DIRECT COSTS (ODCS)

Mileage	\$100
Telephone	50
Mail/Federal Express	50
Copying	100
Vista Environmental Information Service	500
Airphotos	50
Sanborn Map Search	150
	1,000
Plus 10% handling	100
Total ODCs	\$1,100
TOTAL	\$9,139

ATTACHMENT B

CONTRACT TERMS

Invoicing and Payment

A project duration of two weeks is anticipated. Therefore, CDM will submit only one invoice to McDonnell Douglas Realty Company for project services rendered. The invoice will specify total payment due and include itemized breakdowns for labor and other direct charges. Back-up (i.e., receipts, expense reports, vendor invoices, etc.) for other direct charges will be provided to McDonnell Douglas Realty Company if requested. Payment is due within 30 days of the invoice date.

Labor

Work done by CDM will be billed at the salary cost of such services for employees plus 135 percent of the salary cost for overhead and profit plus actual out-of-pocket expense costs. Salary cost is defined as the cost of salaries (including sick leave, vacations, and holiday pay applicable thereto) for time directly chargeable to the project; plus unemployment, excise, and payroll taxes; and contributions for social security, employment compensation insurance, retirement benefits, and medical and other group insurance benefits. The salary cost includes a 36.5 percent fringe benefit factor taken on direct labor. McDonnell Douglas Realty Company will only be charged for those hours spent by staff working on the project.

Other Costs

Internal charges for items such as photocopying, blue-line prints, computer charges, company vehicles and company-owned equipment rental are charged at cost plus 10 percent. External charges such as travel, subcontracts, shipping, telephone, etc., are charged at actual cost plus 10 percent for handling.

Other Considerations

Notwithstanding anything to the contrary elsewhere in this proposal or contract, with the exception of claims, losses, and expenses (including direct, indirect and consequential damages, fees and charges of attorneys and court and arbitration costs) for which insurance is provided to CDM or due to CDM's breach of its obligations hereunder of the negligence or other wrongful conduct of CDM or its agents, employees or subcontractors, as to each of which CDM shall indemnify, defend and hold harmless Douglas Aircraft Company, McDonnell Douglas Realty Company and its affiliates, McDonnell Douglas Realty Company shall indemnify, defend and hold harmless CDM and its subcontractors, agents, and employees from and against all claims, damages, losses, and expenses, direct and indirect, or consequential damages, including but not limited to fees and charges of attorneys and court and arbitration costs, arising out of or resulting from the performance of the work by CDM or claims against CDM arising out of the work of others and related to the dispersal, discharge, escape, release, or

saturation of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, or any material, irritant, contaminant, or pollutant in or into the atmosphere, or on, onto, upon, in, or into the surface or subsurface (a) soil, (b) water or watercourses, (c) objects, or (d) and tangible or intangible matter, whether sudden or not.